



JOINT CAPITAL & CONSTRUCTION COMMITTEE, BUDGET AND FINANCE COMMITTEE AND BOARD OF TRUSTEES MEETING

Monday November 4, 2024, at 4:30 p.m.

Memorandum

Ms. Foley called the meeting to order at 4:30 p.m.

Members Present: Capital and Construction Committee Chair Amanda Foley and member Steve Pittman; Budget and Finance Committee Chair Jane Merrill and member Michael McDonald. Others in attendance were Board member Eric Hand, Legal Counsel Anne Poindexter, Utility Director Andrew Williams, Engineering Manager Wes Merkle, Collections Superintendent Aaron Strong, and Controller Cindy Sheeks. Jeff Hill was absent. Carl Mills, Budget and Finance Committee member, arrived at 4:39 p.m.

PUBLIC COMMENT

There was no one present from the public.

SEWER SERVICE AREA CHANGES AND MAIN EXTENSIONS

Mr. Merkle gave an update on the Bradley Ridge project and its service request with HSE Utilities. There was discussion about options TriCo would consider with regards to allocating capacity to help get the project moving. Nothing can be done before an agreement is presented to and accepted by TriCo's Board of Trustees. Currently no agreement between HSE, the Bradley Ridge developer and TriCo exists. Mrs. Poindexter suggested all parties be copied on any further communication regarding a service agreement to ensure transparency with everyone and there is no confusion regarding how TriCo would be willing to help serve the development.

Mr. Merkle said TriCo received a request for service from a small veterinary clinic that sits at Sycamore Street and US 421 in Zionsville just outside of TriCo's service area. Zionsville does not have the capability to serve them and asked TriCo to serve them in addition to neighboring parcels totaling approximately 6 acres. TriCo is currently providing service to the Farm Development directly across Sycamore Street from the properties. Mr. Merkle and Mr. Hartman are looking at ways to offer service to those properties from sewers within The Farm development. Since the properties are likely to develop commercially, the installation of gravity sewers from the north edge of The Farm across Sycamore Street is recommended. Mr. Hand asked if it has been discussed why Zionsville Utility isn't interested in servicing that area. Mr. Merkle said Zionsville cannot extend service to these parcels economically. Mr. Pittman asked why TriCo would incur the cost of extending service to the parcels to serve one vet clinic, instead of asking them to pay for their individual connection costs. Mr. McDonald said he had the same question. Mr. Merkle said the concern is that to wait for a larger commercial development to occur at that location The Farm project would already be completed and the cost to do the extension at that time would be substantially greater compared to doing it while construction is already underway in that area, in addition to substantial disruption to area businesses and residents.

The agenda was reordered to move up the discussion on the Operating Budget because Mr. Mills was under a time restriction.

2025 OPERATING BUDGET

Mr. Williams said conservative new customer projections were used to calculate the proposed 2025 operating budget and liberal projections were made for operating expenses. Staff intended to present a worst-case scenario in the event expenditures are high in 2025 or revenue is lower. The proposed 2025 budget should account for either scenario. Mr. Williams said the proposed budget does not reflect a 2025 rate increase; the Board usually decides year by year what increase is needed, if any. The numbers do include additional revenue received based off the user rate increases implemented in 2024. The Personnel and Benefits Committee met and is expected to recommend a three percent range adjustment to the salary step system which has been included in the proposed budget. Insurance came in with a 15.9% increase. The proposal will include moving up one level in high deductible insurance to a \$4000 / \$8000 deductible which keeps it closer to an eight percent increase. Premiums would go up \$2000 per family and \$700 for an individual. The committee will recommend seeding an additional \$500 in HSA accounts to help offset employee costs. Those numbers have been factored into the proposed budget as well. It is unknown right now if there will be an increase in treatment costs for flows sent to Carmel. Indications are that there will be, the amount is unknown, and the last increase was eight years ago. The proposed budget does not include expenditures that would be incurred if TriCo is asked to help serve areas that are not included in its current service area. The intent of any expenses incurred to help other municipalities would be to be cost neutral for TriCo and if it comes to fruition, a separate budget would be maintained to keep all of those costs easily accounted for.

Mr. Mills asked Mr. McDonald and Ms. Merrill if they are comfortable with the proposed budget increases. Both attended the Personnel and Benefits Committee meeting and are comfortable with the proposed changes in salaries and insurance. Mr. Williams expressed that this is the first look at the budget and updates and final approval can be done at the December Board meeting. Mr. Mills asked if Personnel and Benefits discussed any incentive over the proposed three percent range adjustment to the salary step system. Mr. McDonald said they did not. Mr. Mills said Mr. Ryerson is leaving the Board at the end of 2024. He will be replaced by Lauren Matthes under the recommendation of Paul Hensel, if she is approved by the Township Board. Mr. Mills invited her to attend the November Board meeting to get a feel for how TriCo's meetings are conducted.

Mr. Mills left the meeting.

CAPITAL PROJECT UPDATES

Mr. Merkle gave updates on the following projects.

#2207 Lift Station 26 (Jackson's Grant) Parallel Force Main

Restoration continues in coordination with property owners, homeowner associations, and the City of Carmel. Several areas of walking path along Spring Mill Road will be resurfaced to address construction damage. Completion is anticipated shortly.

#2208 Lift Station 16 (Michigan/Sycamore Street) Reconstruction

The new lift station is operational and punch list work is nearly complete. Installation of a wood privacy/security fence and gate will be complete this week.

Earth moving, utility installation, and road work surrounding the new lift station continues under The Farm development project.

#2301 Lift Station 10 (Ashbrook) Upgrades

Crews completed most punch list items. Existing deteriorated pavement was removed. Base pavement was placed last week and surface pavement will be placed this week.

Various Small Sewer Extension Projects

Low pressure sewer main installation at Lacoma Estates and Six Points Road is anticipated in November and December. Staff awaits a work schedule for completion of the short main extension at Lift Station 22.

FINANCIAL STATEMENTS

Ms. Sheeks said there has been a drop in interest rates which will reduce the rate of interest income. The financial statements include normal monthly expenses. Mr. Williams said the Bond money is still collecting a higher interest rate than what is due on the Bonds, which is good. There were no questions.

2025 CAPITAL BUDGET

The Capital Budget will be discussed at the Board meeting on Monday, November 11.

OTHER BUSINESS

Mr. Williams said there is a purchase order for a repair needing board approval and signature. A pump was being lifted out of a wet well for repair. The hook holding the pump failed and the pump fell into the well. No one was injured. A contractor was doing the lifting but using TriCo's equipment. The repair to the pump is estimated to be \$63,000. Mr. Merkle said the pump is a year and a half old with a replacement cost of \$120,000 to \$130,000. The hook failed at 10 feet. The bottom of the pump shattered. Mrs. Poindexter asked about the hook manufacturer and the hook being rated for 7,000 pounds but failed lifting 2,000 pounds. Mr. Williams said the age of the hook is unknown as well as if it is out of warranty due to its age. Mr. Strong said when looking at the set up more closely the chain was rated for 7,000 pounds and the hook was rated for 3,000 pounds. The hook has been used on several utility projects and it is unknown if it was compromised before attempting this lift. Mr. Williams said with the repair being over \$25,000 it will require Board approval and asked since there is a quorum of the Board present at this meeting would they be willing to approve the repair. Ms. Foley made a motion to approve the repair of the pump in the amount of \$63,000. Ms. Merrill seconded the motion, and it was unanimously approved.

ADJOURNMENT

The meeting adjourned at 5:55 p.m.

Respectfully submitted,

Andrew Williams
Utility Director